



PROPOSED STORM DRAINAGE AND FLOOD PROTECTION FEE

CITY COUNCIL MEETING

April 6, 2021

Jovan Grogan, City Manager
Jimmy Tan, Public Works Director

Objective



- ❖ Hold Continued Public Hearing to Consider Protests and Testimony Regarding the Storm Drainage and Flood Protection Fee
- ❖ Consider Resolution Submitting Storm Drainage and Flood Protection Fee to a Property Owner Mail Ballot Election

Agenda



- I. Overview of San Bruno's Water Utilities
- II. Discuss Stormwater Funding & Financial Challenges
- III. Review Stormwater Infrastructure, Current Projects and Unfunded Capital Improvement Projects
- IV. Discuss Frequently Asked Questions
- V. Review Prop 218 Property Assessment & Public Outreach Process
- VI. Council Questions and Public Comment
- VII. Council Direction on Calling a Property Owner Election

San Bruno's Three Water Utilities



❖ Potable/Drinking System (aka “water system”)

- A network of pipes that delivers clean water to every home and business within our City.



❖ Sewer System (aka “wastewater system”)

- A network of pipes that collects brown/used water and conveys it to our Water Quality Control Plant for treatment prior to discharging into the San Francisco Bay.

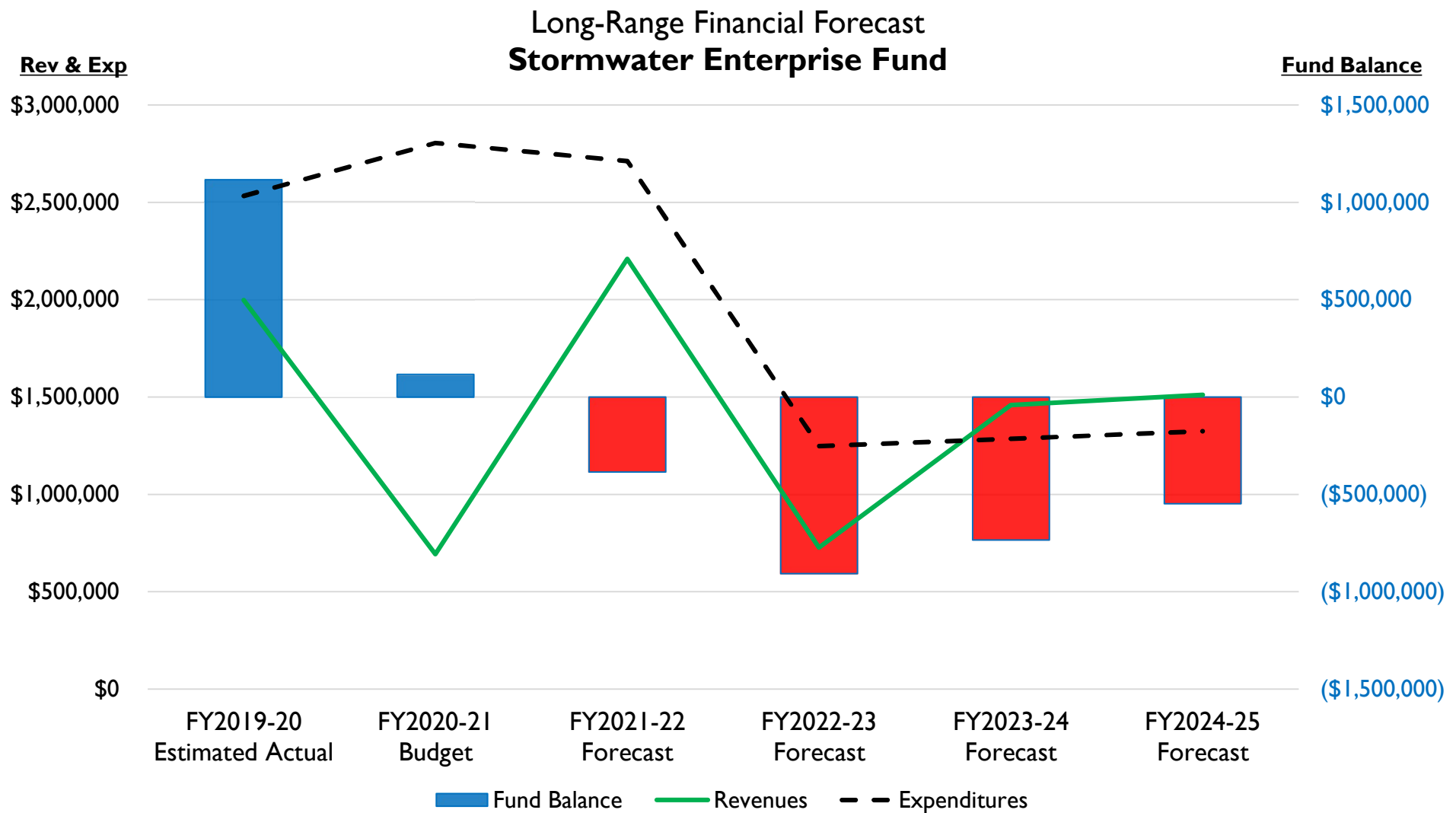


❖ Stormwater System

- A network of pipes that collects rainwater runoff and conveys it to the creek prior to draining into the San Francisco Bay.



Adopted Stormwater Long Range Financial Plan



Source: City of San Bruno, City Manager's Proposed Budget FY2020-21

Current Funding is Inadequate...



- Current Fee hasn't been increased since 1994
- System has aged and cost to meet infrastructure needs have increased
- General Fund has backfilled with subsidies, but increasing pressures on the GF make this more difficult

Current Stormwater Fee



Property Use

Miscellaneous/Agriculture/Vacant/Condominium

Minimum Per APN	\$23.08
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\$ Per 1,000 Square Feet, Lot Size	\$2.0982
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All Other

Minimum Per APN	\$46.16
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\$ Per 1,000 Square Feet, Lot Size	\$4.1964
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**Average property parcel under 11,000 sq. feet pays
\$46.16 per year**

Risk to City Programs and General Fund



- ❖ The City's General Fund or Reserves must cover unmet or emergency needs of the Stormwater Utility
 - *Thereby reducing available money for other programs and services*
 - *Nearly \$1.5M in General Fund money spent this fiscal year on Stormwater projects*

Notable Stormwater System Challenges



- ❖ Stormwater pipe failure and landslide in Crestmoor Canyon in December 2019 (*required declaration of a local emergency to expend \$1M to stabilize a portion of San Bruno Avenue*)
- ❖ Discovery of a broken drain culvert near Crystal Springs Avenue in January 2020 (*estimated to cost \$450,000 to repair*)
- ❖ Undersized storm drainpipes on Spyglass Drive (*a \$1.5M project*)
- ❖ Long history of flooding during heavy rain events in the Downtown and other low laying neighborhoods

Recently reduced to
\$400K due to
receipt of grant
award from FEMA

Achieving Sustainability in Stormwater



- ❖ Part of the City's Comprehensive Fiscal Sustainability Project
- ❖ Critically important to our overall fiscal health as a service provider
- ❖ Stormwater Fee Study Launched in September 2020
- ❖ Proposed Prop 218 Mail Ballot Proceeding from March 2021 through June 2021



Review Stormwater Infrastructure, Current Projects and Unfunded Capital Improvement Project

Stormwater System Infrastructure Overview

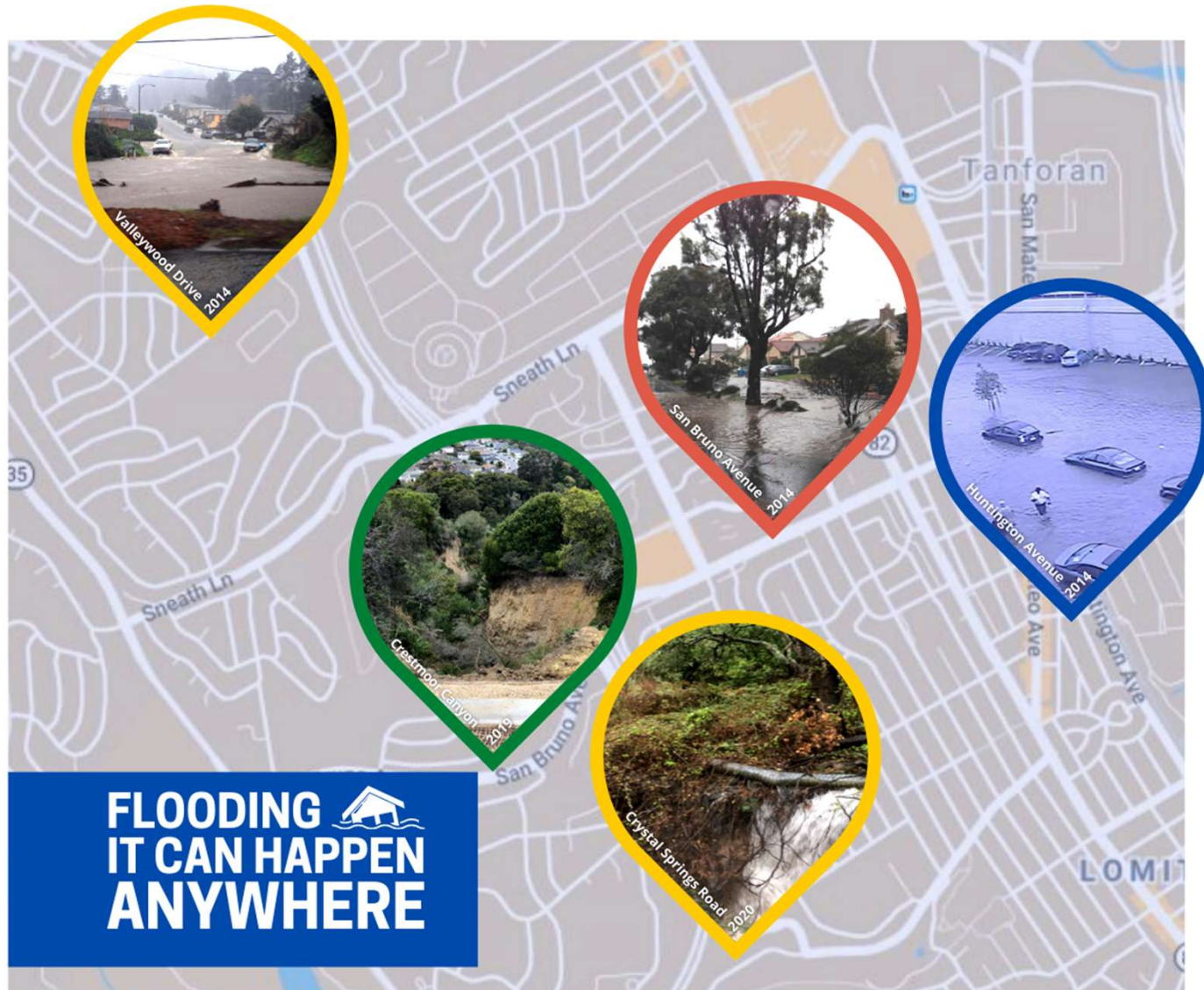


- ❖ Storm system originally installed in 1900s
- ❖ Consists of drain inlets, underground pipelines and box culverts
- ❖ System flows from West to East toward San Bruno Channel
- ❖ Pump stations: 2
 - Built in 1960s
 - Owned, operated and maintained by County of San Mateo
- ❖ 2014 Storm Water Master Plan
 - Total Improvement Cost: \$26+ million (2014 estimate)





Sampling of Recent Flooding Events in City



2014 Flooding in City



2014 Flooding in City



2014 Flooding in City



Stormwater Projects, *completed*



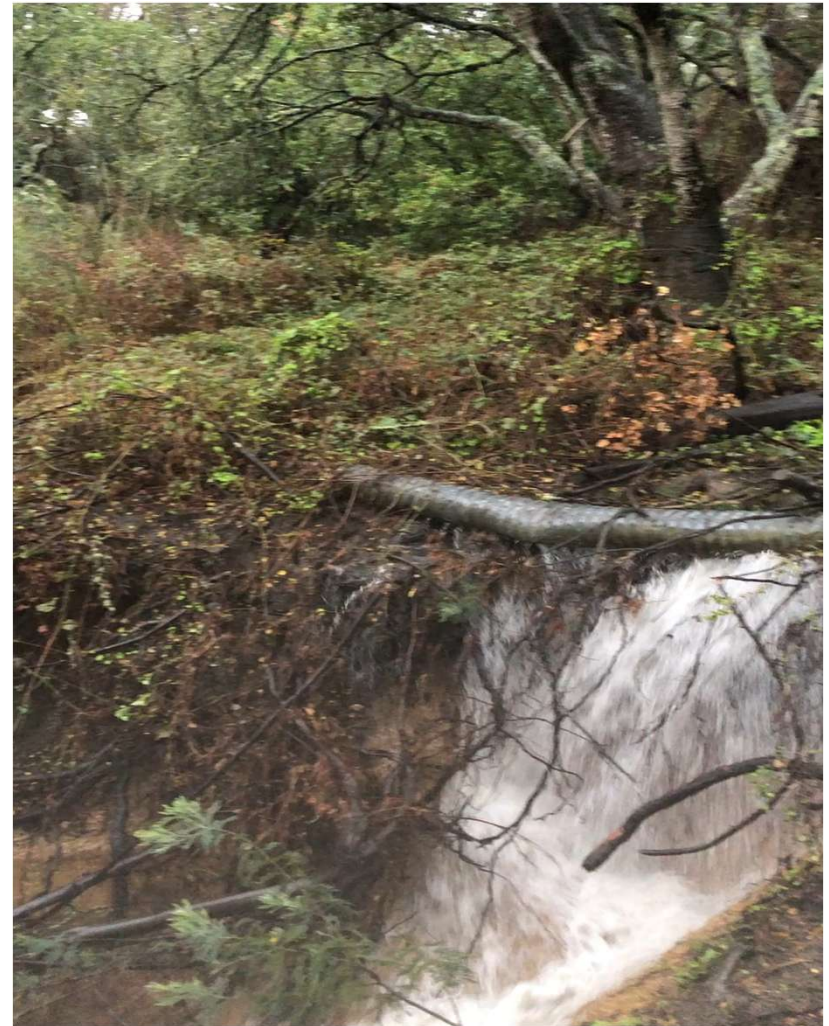
Completed Storm Improvement Project Cost since 2014 Stormwater Master Plan

- Crestmoor Canyon Slope Stability Project (2020):
\$1,020,290
- Crystal Springs Road Storm Drain (2020): **\$450,000**
- Masson Box Culvert Replacement Project (2017):
\$919,800
- Miscellaneous storm drain spot repair (2017 and 2019):
\$802,000

Crestmoor Canyon Slope Stability



Crystal Springs Road Storm Drain



Masson Box Culvert Replacement Project



Stormwater Projects, *future/unfunded*



- Future Storm Improvement Project Cost
 - Spyglass Storm Drain Improvements Project: ~~\$1.5 million~~
\$400,000
 - Stormwater Master Plan Recommended Capacity Improvements: **\$30+ million***
 - Stormwater Condition Improvements: **Estimated \$22.9 million**
 - Municipal Regional Permit Requirements: **Unknown**

* Was approx. \$26M in 2014 Stormwater Master Plan

Storm Drain System Condition



Sample Impact Businesses and Community Aesthetics





Stormwater Fee Study

Impervious vs. Pervious





2014 Stormwater Master Plan

Estimated Capital Improvement Project Costs

Project ID	Cost (2014\$)	Cost (2020\$)
A-1	\$5,070,000	\$5,958,771
A-2	\$2,670,000	\$3,138,051
A-3	\$820,000	\$963,746
A-4	\$2,720,000	\$3,196,816
A-5	\$4,670,000	\$5,488,651
B-1	\$1,090,000	\$1,281,077
B-2	\$90,000	\$105,777
C-1	\$150,000	\$176,295
C-2	\$2,240,000	\$2,632,672
C-3	\$1,410,000	\$1,657,173
C-4	\$1,380,000	\$1,621,914
D	\$220,000	\$258,566
E	\$1,960,000	\$2,303,588
F	\$1,890,000	\$2,221,317
Total	\$26,380,000	\$31,004,414



Fee Study Recommendation

Median Fee by Zoning Category

Code	Zoning Designation	No. Parcels	Median Fee
A-R	Administrative and Research	12	\$476.25
C	General Commercial	219	\$272.26
C-B-D	Central Business District	111	\$178.66
C-M	Commercial Manufacturing	11	\$397.31
C-N	Neighborhood Commercial	75	\$169.17
C-O	Community Office	6	\$2,508.30
M-I	Industrial	135	\$236.96
O	Open Space	59	\$476.65
P-D	Planned Development	1,455	\$54.91
R-1	Single-Family Residential	8,755	\$154.31
R-2	Low Density Residential	1,052	\$171.92
R-3	Medium Density Residential	38	\$208.16
R-4	High Density Residential	988	\$52.76
U	Undesignated	18	\$1,242.54
Total		12,934	\$149.66

R-1 median in proposed model is \$154 vs \$46 in current, an increase of 234%

Review of Large Parcels



- City conducted a proactive review of large residential and commercial parcels in advance of appeal process
- Determined that initial analysis did not accurately assess drainage on oversized parcels
- No parcel will see an additional increase as a result of the analysis and approximately 270 parcels will have their annual charges reduced
- Each affected property owner to receive a letter explaining their reduction in the proposed Storm Drain and Flood Protection Fee





Frequently Asked Questions



1. Can the City fund our stormwater needs from the General Fund?
2. What has the City done to improve its finances, other than tax residents?
3. Why isn't the City using the \$50M from the San Bruno Community Foundation for stormwater infrastructure?
4. Can the City apply for grants to solve our stormwater problem?



1. Can the City fund our stormwater needs from the General Fund?

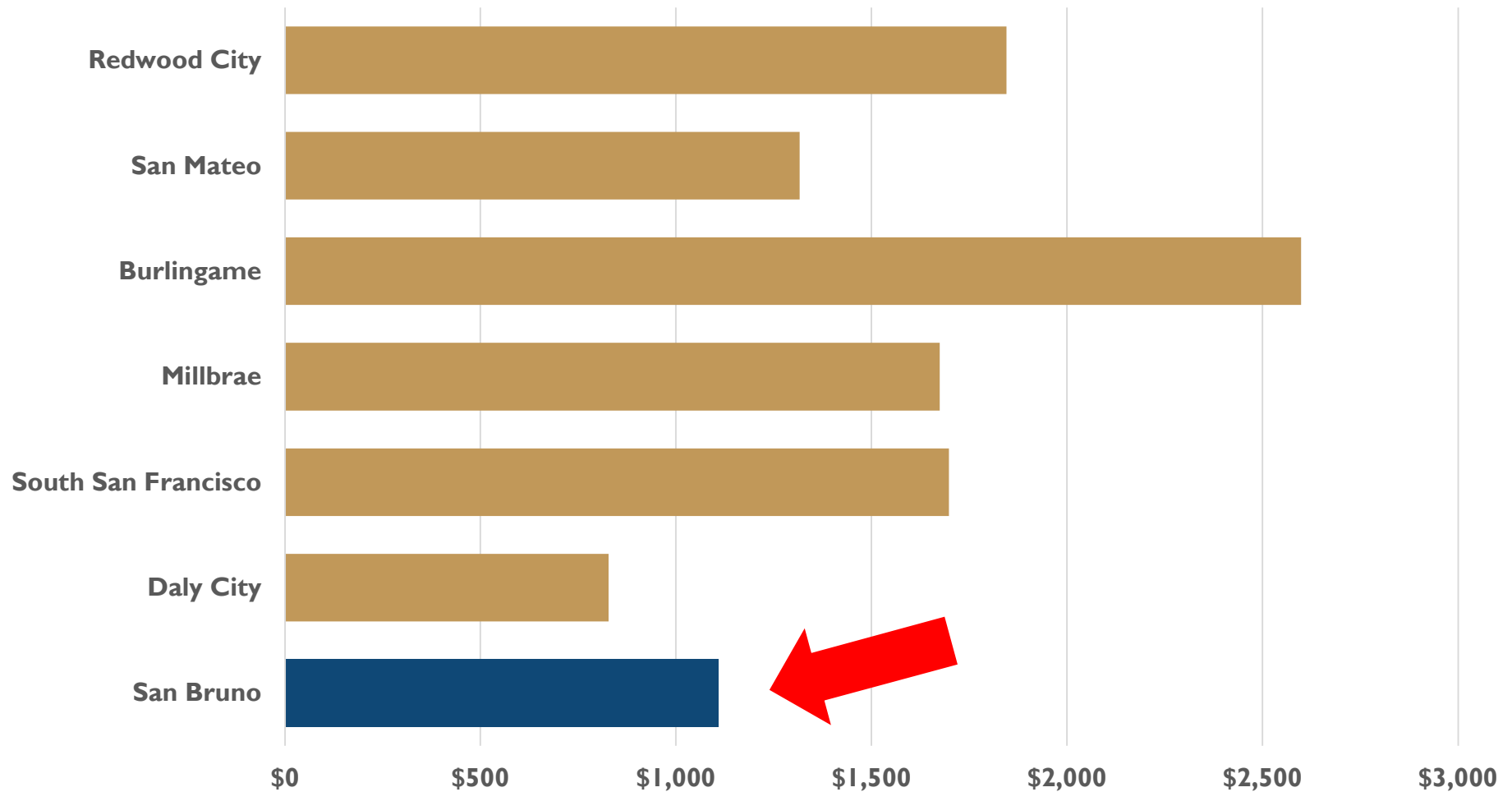
Answer:

- San Bruno has a revenue problem, not a spending problem
- Annually, the City must make difficult decisions on what general services and capital projects it can fund
 - FY 19-20 Mid-year, \$4M shortfall
 - FY 20-21 Annual Budget, \$8.2M deficit
 - Recent budget balancing actions:
 - Defunding capital projects
 - Service reductions
 - Use of limited reserves
 - Reducing set asides for future equipment replacements
 - Personnel reductions and freezing of vacant positions (police, fire and non-sworn administrative/operating positions)
 - Postponing progress on needed enhancements and unmet needs

General Fund Budget Revenue per Capita



Fiscal Year 2019-20



Source: City Adopted Budgets, FY2019-20



2. What has the City done to improve its finances, other than tax residents?

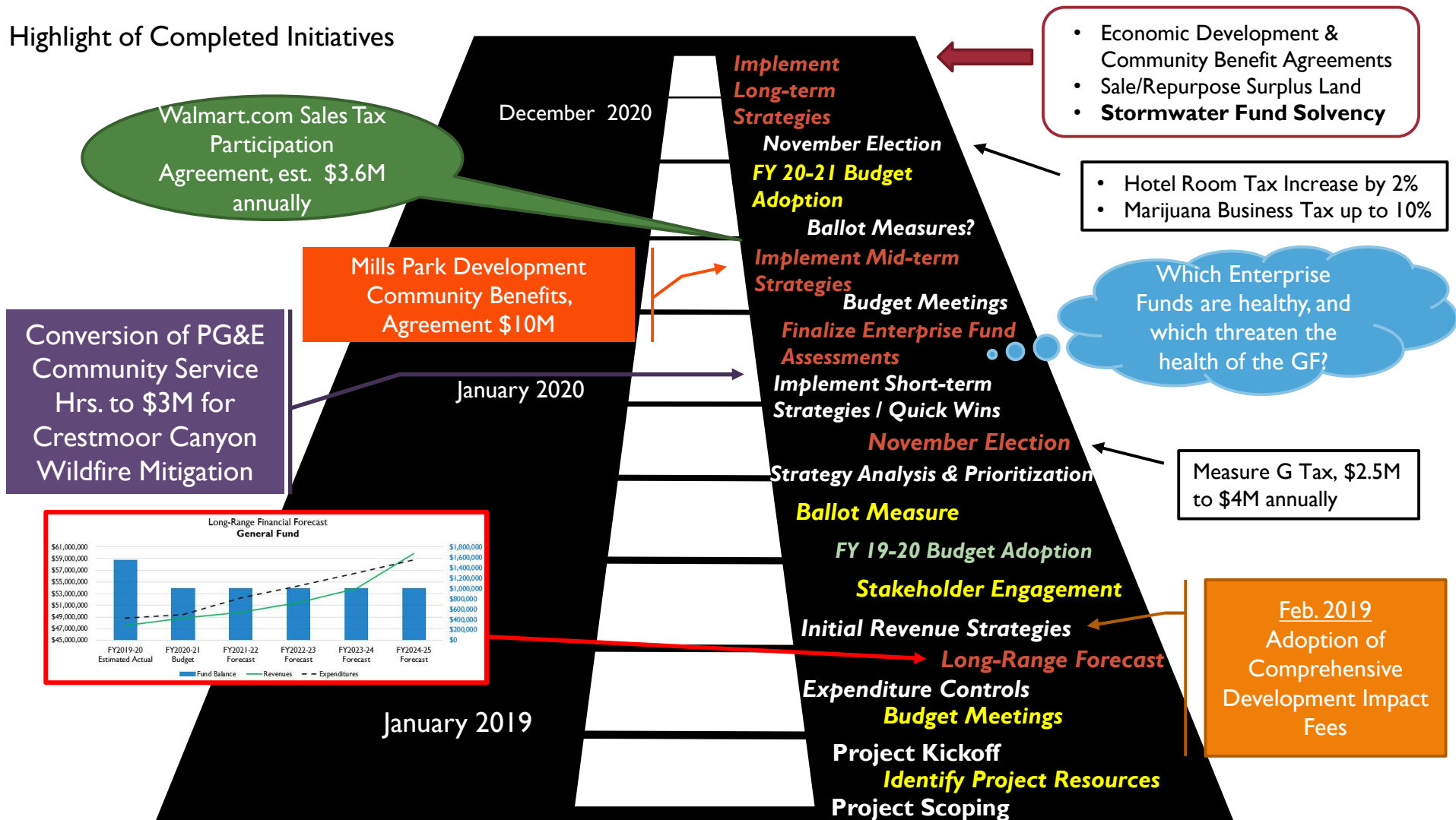
Answer:

- We launched a Comprehensive Fiscal Sustainability Project in November 2018

Comprehensive Fiscal Sustainability Project



Highlight of Completed Initiatives



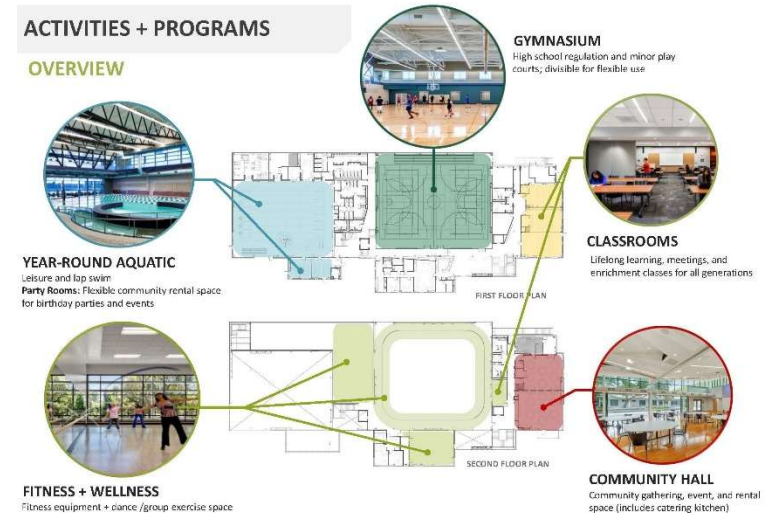
FAQ



3. Why isn't the City using the \$50M from the San Bruno Community Foundation for stormwater infrastructure?

Answer:

- Use of PG&E Restitution Funds from the San Bruno Community Foundation was a community led effort, beginning in 2015
- Community selected replacement of Recreation and Aquatic facilities as the most desired use of the \$50M Foundation grant
- Reuse of existing facilities was examined (significant structural issues with existing recreation center)
- Project is fully designed, construction bids received, groundbreaking this Summer/Fall





4. Can the City apply for grants to solve our stormwater problem?

Answer:

- Yes, grants are possible, but we should not anticipate grants to cover the full or even a majority of the City's stormwater funding challenges
 - ❖ The City's stormwater funding challenges include:
 - ✓ Stormwater Fund projected to have a negative balance next year
 - ✓ Insufficient annual revenue to cover operations and maintenance costs
 - ✓ Deferred capital improvements on backbone system, \$30M
 - ✓ Additional stormwater infrastructure condition improvements (est. \$22.9M)
- The City recently applied for and received over \$3M in Federal grants to help repair stormwater infrastructure and plan for a new stormwater runoff retention facility
- The City will continue to track and apply for available grant opportunities



Public Outreach, Community Feedback, Public Hearing, Protest and Proposition 218 Process

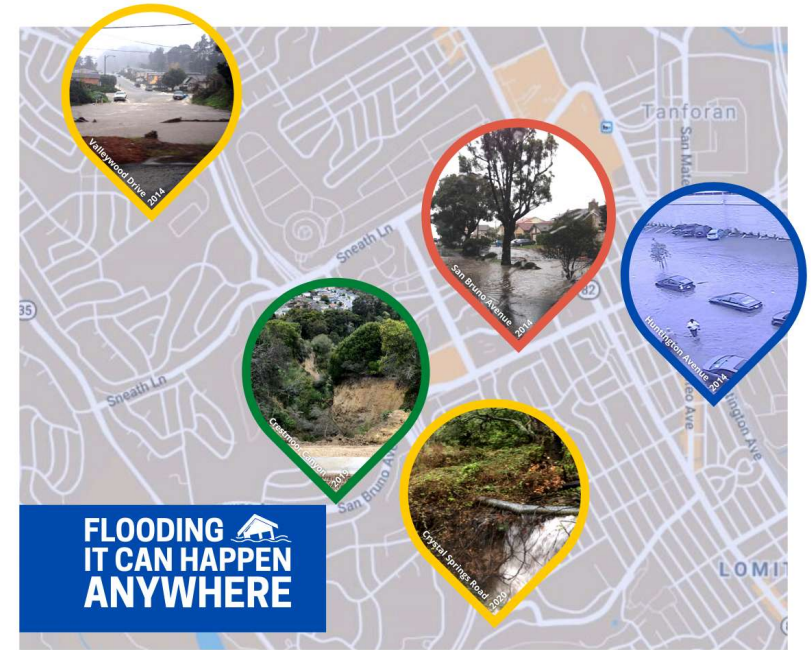
Public Outreach



- ❖ Robust public outreach
 - Public survey
 - Citywide mailer article
 - Dedicated mailings to local and out-of-town property owners
 - City Manager eNewsletter article
 - Community presentations
 - Dedicated webpage

❖ Public Outreach Performed

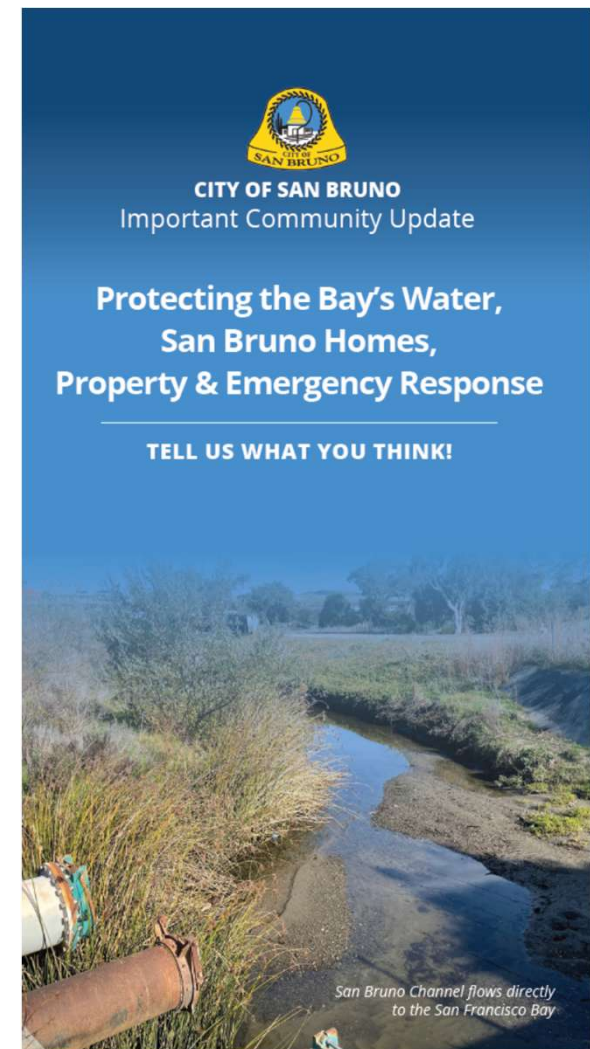
❖ December – April 2021



Community Feedback

Over 400 residents and property owners have provided their feedback for addressing the stormwater system. Priorities we have heard from the community so far include:

- ✓ Repairing deteriorating pipes and infrastructure to prevent system failure, landslides, and sinkholes
- ✓ Reducing pollutants flowing into the Bay and protecting the water quality of San Bruno Channel and local reservoirs
- ✓ Reducing the risk of flooding and costly repairs to local businesses and homes
- ✓ Preventing flooding that obstructs residents, police, and emergency response



Public Hearing Notice and Protest Received



- Property owners received Public Hearing notice in February of the proposed rate change and stormwater system needs to be addressed
- As of April 5, 2021, the City Clerk's Office has received 318 protest letters from property owners in San Bruno

Proposition 218 Process



- ❖ Phase 1 – Majority Protest Hearings
- ❖ Phase 2 - Property Owner Election Processes
- ❖ July 31 Deadline to Transmit Stormwater Assessment to County

Dates	Action Item
1/12/2021	City Council adopts Resolution of Intention
COMPLETED	First round of Prop 218 notices are sent to property owners.
COMPLETED	Mail revised notices to property owners who were omitted from initial mailing
3/23/2021	Hold public protest hearing, hear testimony and continue hearing to April 6th.
4/6/2021	Hold continued public protest hearing and hear testimony. If there is not a majority protest, Council can adopt resolution calling election and establishing election rules.
No Later Than 5/1/21	Mail ballot packets
6/15/2021	Final Day to receive ballots (Election Closed)
6/16/21-6/18/21	City Clerk tabulates ballots at announced time and place
6/22/2021	City Council adopts a Resolution stating the results of the election, imposing the fees, and electing to collect the fees on the tax roll (requires approval of four councilmembers)
Prior to First Publication/Mailing of Notice of Public Hearing on Annual Report	H&S 5473 Annual Report (fee roll) for 21/22 filed with City Clerk.
No Later Than 6/29/2021	First publication of Notice of Annual Report Public Hearing (H&S 5473.1)
No Later Than 6/29/2021	Postcard Notice mailed to owners of property affected as shown on last equalized assessment roll from county. (H&S 5473.1)
At Least 5 days after first publication	Second publication of Notice of Annual Report Public Hearing (H&S 5473.1)
7/13/2021	City Council Holds Public Hearing on Annual Report (fee roll) (H&S 5473.2) and adopts resolution determining 21/22 charges (H&S 5473.3). This requires a majority vote of the Council.
7/31/2021	Hard Deadline for Annual NPDES calculation and Stormwater Fee to County

Questions and Discussion





End of Presentation